



DEPARTMENT OF ENERGY

[DOE Docket No. 202-22-2]

Emergency Order Issued to the Balancing Authority of Northern California to Operate Power Generating Facilities Under Limited Circumstances in California as a Result of Extreme Weather

AGENCY: Office of Cybersecurity, Energy Security, and Emergency Response; Department of Energy.

ACTION: Notice of emergency action.

SUMMARY: The U.S. Department of Energy (DOE or the Department) is issuing this Notice to document emergency actions that it has taken pursuant to the Federal Power Act. California experienced several periods of extreme heat, drought conditions, and threat of wildfires. California Governor Gavin Newsom issued a proclamation declaring a state of emergency regarding increased electrical demand and generation. Because the additional generation may result in a conflict with environmental standards and requirements, the DOE authorized only the necessary additional generation, allowing BANC to sufficiently supply the necessary amount of energy needed to prevent electrical disruption.

ADDRESSES: Requests for more information should be addressed by electronic mail to AskCR@hq.doe.gov.

FOR FURTHER INFORMATION CONTACT: For further information on this Notice, or for information on the emergency activities described herein, contact Kenneth Buell, (202) 586-3362, Kenneth.Buell@hq.doe.gov, or by mail to the attention of Kenneth Buell, CR-30, 1000 Independence Ave., SW, Washington, DC 20585. Due to limited access to DOE facilities because of current COVID-19 restrictions, contact via phone or email is preferred.

SUPPLEMENTARY INFORMATION: The Order and all related information are available here: <https://www.energy.gov/ceser/federal-power-act-section-202c-banc-september-2022>.

Background

Section 202(c) of the Federal Power Act

The U.S. Department of Energy (the Department) is issuing this Notice pursuant to 10 CFR 1021.343(a) to document emergency actions taken in accordance with section 202(c) of the Federal Power Act (FPA) (16 U.S.C. 824a(c)). FPA section 202(c) provides that “[d]uring the continuance of any war in which the United States is engaged, or whenever the [Secretary of Energy] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the [Secretary of Energy] shall have authority, either upon [her] own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and generation, delivery, interchange, or transmission of electric energy as in [her] judgment will best meet the emergency and serve the public interest.”

1. Request for Emergency Order from the Balancing Authority of Northern California

On September 2, 2022, the Balancing Authority of Northern California (BANC) submitted to the Department a Request for Emergency Order under section 202(c) of the Federal Power Act which it amended on September 3, 2022, by an Amended, Supplement and Clarified Draft Request for Emergency Order Pursuant to section 202(c) of the Federal Power Act. BANC’s request as so amended is referred to herein as the Application. (Application) with the Department “to preserve the reliability of bulk electric power system in California.” In its Application, BANC requested that the Department issue an emergency order to preserve the reliability of the bulk electric power system in California to allow BANC to dispatch generation within the BANC Balancing Authority Area (BAA) “that may be necessary for BANC to meet demand in the face of extreme heat.” BANC sought the emergency order to allow it to direct the operation of 24 diesel-fired generators located at a data center in Sacramento, California (the Covered Resource), up to a maximum output of 26.1 megawatts (the Covered Maximum

Amount). BANC represented that the Covered Resource could not operate due to restrictions in its existing permits absent an emergency order.

2. BANC Order

On September 4, 2022, the Acting Under Secretary for Infrastructure, acting pursuant to delegated authority, issued Order No. 202-22-2 (the BANC Order). As set forth in the BANC Order, the Acting Under Secretary for Infrastructure found that because of the expected shortage of electric energy, shortage of facilities for the generation of electric energy, and other emergency conditions prevailing and forecasted in the BANC BAA, the operation of the Covered Resource up to the Covered Maximum Amount was necessary to contribute to the reliability of the BANC BAA.

The BANC Order authorized BANC to dispatch the Covered Resource from September 4, 2022 to September 8, 2022, solely upon issuance and continuation of an Energy Emergency Alert Level 2 (EEA2) condition or greater between 14:00 Pacific Daylight Time and 22:00 Pacific Daylight Time, after exhausting all reasonably and practically available resources.

The BANC Order requires that BANC provide a report by October 10, 2022, to include all source-specific data for dates between September 4, 2022 and September 8, 2022, during which the Covered Resource operated. The report must include, “for each unit: (1) the hours of operation, as well as the hours in which any permit limit was exceeded; and (2) a preliminary description of each permit term that was exceeded and the manner in which such exceedance occurred.” The BANC Order also require BANC to “submit a final report by November 14, 2022, with any revisions to the information reported on December 12, 2022.” DOE will prepare a special environmental analysis of the potential impacts resulting from issuance of the BANC Order, including impacts on air quality and environmental justice. BANC will be responsible for the reasonable third-party costs of the special environmental analysis.

3. Amendment Number 1 to BANC Order

On September 7, 2022, BANC submitted a Request for Extension and Limited

Amendment of Emergency Order Pursuant to Section 202(c) of the Federal Power Act (Amendment Request). The Amendment Request requested that: (1) the Department extend the effective date of the BANC Order through September 11, 2022; and (2) the Department allow BANC to dispatch the Covered Resource outside of EEA2 conditions to allow the Covered Resource time to start up and fully transition load prior to the commencement of EEA2 conditions. BANC explained that the actual heat event was more severe than expected and record loads had been experienced.

The Acting Under Secretary for Infrastructure issued Amendment Number 1 to Order No. 202-22-2 (Amendment Number 1) on September 8, 2022, finding that an emergency continued to exist in California due to a shortage of electric energy and that the issuance of Amendment Number 1 would help to meet the emergency conditions and serve the public interest.

Amendment Number 1 extended the effectiveness of the BANC Order through September 11, 2022. In addition, Amendment Number 1 allowed BANC to dispatch the Covered Resource upon notification of an EEA2 or greater (without limiting operation to the hours of 14:00 Pacific Time and 22:00 Pacific Time), and to operate for such reasonable and limited time as is necessary for the Covered Resource to ramp down following an EEA2 or greater. All other terms of the BANC Order remained in effect, including the obligation of BANC to exhaust all reasonably and practically available resources prior to dispatching the Covered Resource and the obligation to report information regarding the environmental impacts of the operation of the Covered Resource permitted by the BANC Order. As required by FPA section 202(c), the Department consulted with the Environmental Protection Agency (EPA) in considering BANC's request for an extension of the BANC Order. The EPA did not request any additional conditions be included in the BANC Order as amended by Amendment Number 1.

4. Further Information

The BANC Order, Amendment Number 1, and other documents referenced herein can be found on the Department's web site at <https://www.energy.gov/ceser/federal-power-act-section->

202c-banc-september-2022. The reports required by the BANC Order as amended by Amendment Number 1 will be posted to the Department's web site when they become available.

Signing Authority

This document of the Department of Energy was signed on October 1, 2022, by Puesh M. Kumar, Director for the Office of Cybersecurity, Energy Security, and Emergency Response, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, D.C., on October 6, 2022.

Treena V. Garrett,

Federal Register Liaison Officer,

U.S. Department of Energy.

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